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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/817,517	03/26/2001	Marco Sasselli	16674-5	7907

7590 07/01/2005

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EXAMINER

SHANNON, MICHAEL R

ART UNIT	PAPER NUMBER
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2614

DATE MAILED: 07/01/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/817,517	Applicant(s) SASSELLI ET AL.	
	Examiner Michael R. Shannon	Art Unit 2614	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 17 March 2005.
2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-7 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 1-7 is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Arguments

1. Applicant's arguments filed 17 March 2005 have been fully considered but they are not persuasive.

Firstly, the applicant states on lines 2-4 of page 6 of the remarks, that "from col. 4, lines 1-2 of Kauffman, one could assume that this second step [the 2nd step of billing] is performed on a periodic basis, e.g., monthly". Column 4, lines 1-2 of the Kauffman reference are directed towards the clearing of memory upon receipt of a reset signal from the headend, and neither expressly disclose nor indirectly imply anything about the billing being performed on a monthly basis, therefore, the examiner does not agree with this assumption made by the applicant. Assuming that the applicant made a typographical error and meant to reference Column 14, lines 1-2, the examiner still disagrees with this statement. Column 14, lines 1-2 still make reference to the credit limit being reset on a monthly basis. However, if read further, column 14 makes note of the fact that the credit limit could be reset when the collection of billing data takes place, which is not necessarily on a monthly/periodic basis as assumed by the applicant.

Secondly, the applicant states on lines 5-6 of page 6 of the remarks, that "in prior art documents, the second step of the billing operation, which consists in sending the bill to the subscriber, is always done in a periodic basis". This statement is made with certain language ("is always done") so as to be fact, however, no such fact or argument is given to expand on this concept of billing being ALWAYS DONE on a periodic basis.

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Therefore, the examiner must respectfully disagree with this interpretation of the prior art in general, as will be discussed in more detail regarding the cited prior art below.

Thirdly, the applicant states on lines 13-16 of page 6 of the remarks, that the Kauffman reference does not "generate invoices only when a minimal amount is reached". The examiner, as originally noted, disagrees with this statement. The Kauffman reference contains a credit limit that is set at the time of initialization, and therefore inherently teaches the minimal amount being reached at a certain time and a user either being able to no longer watch programs, or having to be billed and subsequently having the credit amount reset. Column 4, lines 20-25 of the Kauffman reference teach this credit limit concept, and column 9, lines 11-14 give further details about the credit limit being set at initialization. The collection of billing data, as discussed above and in column 14 lines 1-3 can be accomplished on any sort of predetermined basis, such as when the credit limit reaches a threshold amount [col. 4, lines 20-25], and not necessarily periodically.

Lines 1-4 of page 7 of the remarks state that the "problem of billing only watched events is solved [by Russo], but not in the content of the present invention." As the examiner understands the present invention, it relates to a pay-per-view ordering system in which events can be ordered very shortly before the beginning of the event. The Russo reference does not expressly teach watching real-time events, as most of his teachings revolve around watching pre-stored events. Nonetheless, the events are pay-per-view, and therefore, fall into the scope of a pay-per-view system and are therefore enabling in any system utilizing a pay-per-view architecture. The Russo

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reference even discloses an embodiment wherein the programs are not stored at the client side, but instead are stored and broadcast normally at the server side [col. 4, lines 29-44] so that the user can select programming in accordance with a predetermined schedule and pay for near-video-on-demand functionality.

Lines 7-9 of page 7 of the remarks state, "Concerning the second step of the billing operation, i.e., sending the bill to the subscriber, this step is not mentioned in Russo. This nothing enables one to deduce how to perform this operation". This is, in fact, untrue. The Russo reference makes a point of discussing billing within his system, he even goes as far as to mention credit limits and billing being accomplished when a credit limit reaches a lower threshold [col. 6, lines 20-26]. He also discloses real-time billing, wherein a credit card can be charged upon pay selections and the statements of credit purchase are sent to the consumer without the operator involvement, but charges are made on a real-time basis [col. 10, lines 23-38].

As for the final argument, wherein the applicant states that "a man skilled in the art would not use Russo to solve the problem that is specific to a pay-per-view method" [remarks, page 7, lines 16-17], the examiner must respectfully disagree. As stated earlier, the Russo reference does not expressly teach watching real-time events, as most of his teachings revolve around watching pre-stored events. Nonetheless, the events are pay-per-view, and therefore, fall into the scope of a pay-per-view system and are therefore enabling in any system utilizing a pay-per-view architecture. The Russo reference even discloses an embodiment wherein the programs are not stored at the client side, but instead are stored and broadcast normally at the server side [col. 4, lines

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29-44] so that the user can select programming in accordance with a predetermined schedule and pay for near-video-on-demand functionality. The Russo reference even states that the Kauffman reference's store-and-forward payment scheme is a benefit in the art and can be utilized [col. 2, lines 15-32].

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-5 and 7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kauffman (USP 4,710,955), cited previously by examiner, in view of Russo (USP 5,619,247), cited previously by examiner.

Regarding claim 1, the claimed "method for providing pay-TV services" is met by the Kauffman reference as follows:

- The claimed step of "making available an offering to at least a subscriber location, the potential subscriber being enabled to select and purchase events among said offering made by a services provider" is met by the discussion of making pay-per-view programs available to the subscriber, who can select and tune and/or record the pay-per-view event [col. 3, lines 43-57].

- The claimed step of “attaching price information to each of the events offered by the provider” is met by the data indicative of pay-per-view programs that is stored at the receiver. It is inherent that a pay-per-view event would have a price associated with it, and would therefore be stored along with the rest of the data [col. 3, lines 43-57].
- The claimed step of “allocating a credit limit to the subscriber upon initial subscription” is met by the cable television converter being pre-loaded with purchase credits against which pay-per-view programs can be ordered [col. 2, line 67 – col. 3, line 2].
- The claimed step of “storing information on services purchases made by the subscriber, such storing including the step of increasing a debit counter thus defining a remaining value” is met by the discussion of the debits associated with a pay-per-view program, the debits being debited from the stored credit information [col. 4, lines 18-25].
- The claimed step of “creating a ‘watched’ flag for the events that were watched” is met by the recording of the watched events as records or pay-per-view event purchases made [col. 6, lines 55-56].
- The claimed step of “initiating a communication for conveying said information on service purchases to the service provider by an electronic return channel at a time defined by the remaining value or timing criteria” is met by the modem means and auto-dial means, which serve to contact

the head-end via a telephone connection and convey the pay-per-view credit/debit information to the head-end [col. 3, lines 57-68].

- The claimed step of “issuing a bill to the subscriber at a time of billing, wherein the time of billing is made dependent on a plurality of conditions involving in particular the subscriber's rate of consumption of TV services” is met by the discussion of the billing of subscribers for pay-per-view programs that were ordered [col. 5, lines 40-43]. Also, as discussed above with regards to the arguments made, the Kauffman reference contains a credit limit that is set at the time of initialization, and therefore inherently teaches the minimal amount being reached at a certain time and a user either being able to no longer watch programs, or having to be billed and subsequently having the credit amount reset. Column 4, lines 20-25 of the Kauffman reference teach this credit limit concept, and column 9, lines 11-14 give further details about the credit limit being set at initialization. The collection of billing data, as discussed above and in column 14 lines 1-3 can be accomplished on any sort of predetermined basis, such as when the credit limit reaches a threshold amount [col. 4, lines 20-25], and not necessarily periodically.

The Kauffman reference does not teach, “The service provider has the capacity of not billing the subscriber for the events he has selected but not watched, and of only billing partly the events that were not watched in full, based on the value of the flag”. The Russo reference, as noted in the rejection of claim 6 of the

original office action dated 15 December 2004, teaches that the customer account is not debited until a pay-per-view movie/event is actually watched and/or watched in its entirety [Abstract]. Therefore, the examiner still maintains that it would have been obvious to one of ordinary skill in the art at the time of the invention to include this billing technique with the pay-per-view system, in order to allow for accurate billing information, so as not to bill for unwatched or partially watched programs.

Regarding claim 2, the claimed communication being initiated when the remaining value is lower than a threshold value is met by the discussion of the auto-dial means being used to dial into the controller or head-end if the credit amount is not sufficient [col. 4, lines 22-34].

Regarding claim 3, the claimed threshold value being defined so as to allow the subscriber to purchase the most expensive event is met by the same discussion of the auto-dial means being used to dial into the controller when the credit amount is not sufficient [col. 4, lines 22-34]. It is not a patentable distinction over claim 2 to claim what the "threshold" value is, as that is an arbitrary amount and can be set at any amount that the individual user deems necessary.

Regarding claim 4, the claimed debit counter being reset when a successful communication with the service provider has taken place is met by the discussion of downloading credit information from the controller or head-end. Column 4, lines 16-20 discuss the ability for the system to download credit information from the head-end,

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therefore inherently teaching that the credit information currently stored in the converter is replaced (or reset) by the updated credit information currently being downloaded.

Regarding claim 5, the claimed credit counter being set to the credit limit at initial subscription, and, when a successful communication with the service provider has taken place, the credit counter is incremented by the credit limit if the remaining value has reached the threshold value is, again, met by the discussions on column 2, line 67 – column 3, line 2 and column 4, lines 16-34. The converters can function to dial into the controller upon noticing insufficient funds, therefore updating the credit information at the converter and in turn, the controller.

Regarding claim 7, Kauffman teaches all of that which is discussed above with regards to claim 1. Kauffman does not expressly disclose a parental control on the events the children of the household may watch or not within the offering, said parental control featuring a credit limit per viewer is met by the discussion of a “parental lockout” [col. 11, lines 16-30]. This feature allows the user to set up individual accounts for each household user, block access on a user basis, and therefore, set up credit limits for each user. It would have been obvious to one of ordinary skill in the art at the time of the invention to utilize a parental control feature and associate it with an account balance, in order to control a child’s ability to select a program for viewing in an attempt to prevent unwanted material from entering the home.

4. Claim 6 is rejected under 35 U.S.C. 103(a) as being unpatentable over Kauffman (USP 4,710,955), cited previously by examiner, in view of Russo (USP 5,619,247), cited

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previously by examiner, in further view of Lett et al (USP 5,592,551), cited previously by examiner.

Regarding claim 6, Kauffman and Russo teach all of that which is discussed above with regards to claim 1. Neither Kauffman nor Russo expressly disclose the use of an electronic program guide displayed on his TV set to help the subscriber make his selections. Lett et al teach an EPG that enables a subscriber to easily select pay-per-view events [Abstract]. It would have been obvious to one of ordinary skill in the art at the time of the invention to include the EPG, in order to allow for easy selection of programs through a user-friendly interface.

Conclusion

5. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

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the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Michael R. Shannon who can be reached at (571) 272-7356 or Michael.Shannon@uspto.gov. The examiner can normally be reached by phone Monday through Friday 8:00 AM – 5:00PM, with alternate Friday's off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Miller, can be reached at (571) 272-7353.

Any response to this action should be mailed to:

Please address mail to be delivered by the United States Postal Service (USPS) as follows:

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Effective January 14, 2005, except correspondence for Maintenance Fee payments, Deposit Account Replenishments (see 1.25(c)(4)), and Licensing and Review (see 37 CFR 5.1(c) and 5.2(c)), please address correspondence to be delivered by other delivery services (Federal Express (Fed Ex), UPS, DHL, Laser, Action, Purolater, etc.) as follows:

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Or faxed to: (703) 872-9306


Hand-delivered responses should be brought to:

Knox Building
501 Dulany Street
Alexandria, VA 22314

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to customer service whose telephone number is **(571) 272-2600**.

Michael R Shannon
Examiner
Art Unit 2614

Michael R Shannon
June 13, 2005


JOHN MILLER
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2600